

**UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF PUERTO RICO**

	X	
In re:	:	
	:	
THE FINANCIAL OVERSIGHT AND	:	PROMESA
MANAGEMENT BOARD FOR PUERTO RICO,	:	Title III
	:	
as representative of	:	Case No. 17-BK-3283 (LTS)
	:	
THE COMMONWEALTH OF PUERTO RICO <i>et al.</i> ,	:	(Jointly Administered)
	:	
Debtors. ¹	:	Re: Dkt. No. 13041
	X	

**DRA PARTIES’ RESERVATION OF RIGHTS WITH RESPECT TO THE OPPOSED
URGENT MOTION OF THE GOVERNMENT PARTIES FOR LEAVE TO FILE SUR-
REPLIES AND TO ADJOURN THE PRELIMINARY HEARING REGARDING THE
REVENUE BOND LIFT STAY MOTIONS TO JUNE 4, 2020**

COME NOW AmeriNational Community Services, LLC (hereafter the “Servicer”), as servicer for the GDB Debt Recovery Authority (the “DRA”), and Cantor-Katz Collateral Monitor LLC, a Delaware limited liability company which serves as the collateral monitor for Wilmington Trust, N.A. in connection with the new bonds issued by the DRA pursuant to the *Government Development Bank for Puerto Rico Debt Restructuring Act*, Act No. 109-2017, as amended by Act No. 147-2018 and the approved Qualifying Modification for the Government

¹ The Debtors in these title III cases, along with each Debtor’s respective title III case number listed as a bankruptcy case number due to software limitations and the last four (4) digits of each Debtor’s federal tax identification number, as applicable, are the (i) Commonwealth of Puerto Rico (the “Commonwealth”) (Bankruptcy Case No. 17-BK-3283 (LTS)) (Last Four Digits of Federal Tax ID: 3481), (ii) Employees Retirement System of the Government of the Commonwealth of Puerto Rico (“ERS”) (Bankruptcy Case No. 17-BK-3566(LTS)) (Last Four Digits of Federal Tax ID: 9686), (iii) Puerto Rico Highways and Transportation Authority (“HTA”) (Bankruptcy Case No. 17-BK-3567 (LTS)) (Last Four Digits of Federal Tax ID: 3808), (iv) Puerto Rico Sales Tax Financing Corporation (“COFINA”) (Bankruptcy Case No. 17-BK-3284 (LTS)) (Last Four Digits of Federal Tax ID: 8474); (v) Puerto Rico Electric Power Authority (“PREPA”) (Bankruptcy Case No. 17-BK-4780) (Last Four Digits of Federal Tax ID: 3747); and (vi) Puerto Rico Public Buildings Authority (“PBA”) (Bankruptcy Case No. 19-BK-5233-LTS) (Last Four Digits of Federal Tax ID: 3801).

Development Bank for Puerto Rico² under Title VI of the *Puerto Rico Oversight, Management and Economic Stability Act* (the “Collateral Monitor” and with the Servicer, the “DRA Parties”), by and through the undersigned legal counsel, and respectfully submit this reservation of rights (the “Reservation of Rights”) to the *Opposed Urgent Motion of the Government Parties for Leave to File Sur-Replies and to Adjourn the Preliminary Hearing Regarding the Revenue Bond Lift Stay Motions to June 4, 2020* [Dkt. No. 13041] (the “Urgent Motion”).

BACKGROUND

1. On January 16, 2020, Assured Guaranty Corp., Assured Guaranty Municipal Corp., Ambac Assurance Corporation, National Public Finance Guarantee Corporation, and Financial Guaranty Insurance Company (the “Monolines”) filed the Monolines’ Amended HTA Lift Stay Motion [Dkt. No. 10102].³

2. Consistent with this Court’s *Final Case Management Order for Revenue Bonds* (as amended) [Dkt. No. 12186] (the “Final Revenue Bond Order”), on February 3, 2020, the FOMB filed its Opposition to the Monolines’ Amended HTA Lift Stay Motion [Dkt. No. 10613].

3. On March 3, 2020, the Court entered an Order granting the DRA Parties intervention rights in the litigation on the Monolines’ Amended HTA Lift Stay Motion [Dkt. No. 12005] (the “Intervention Order”).

4. Consistent with the terms of the Intervention Order and Final Revenue Bond Order, on March 16, 2020, the DRA Parties filed an Opening Brief [Dkt. No. 12396] in response

² See Dkt. No. 270 of Civil Case No. 18-01561 (LTS).

³ The Monolines also filed two additional lift stay motions with respect to their PRIFA and CCDA holdings [Dkt. Nos. 10104, 10109]. Although the FOMB’s Urgent Motion seeks to file sur-replies with respect to all three of the Monolines’ lift stay motions, the DRA Parties’ Reservation of Rights pertains only to the Monolines’ Amended HTA Lift Stay Motion, consistent with the terms of the Intervention Order (as defined herein).

to the Monolines' Amended HTA Lift Stay Motion and the FOMB's Opposition to the Monolines' Amended HTA Lift Stay Motion.

5. On March 23, 2020, the FOMB filed its Response to the DRA Parties' Opening Brief [Dkt. No. 12496]. Additionally, the Official Committee of Unsecured Creditors filed the UCC's Limited Joinder to the FOMB's Response [Dkt. No. 12500], and the Monolines filed a separate Response and Reservation of Rights to the Opening Brief [Dkt. No. 12491].

6. On April 30, 2020, the DRA Parties filed their Reply to the FOMB's Response to the DRA Parties' Opening Brief and the UCC's Limited Joinder [Dkt. No. 12999]. Similarly, the Monolines filed a Reply to the FOMB's Opposition to the Monolines' HTA Amended Lift Stay Motion [Dkt. No. 12994] (the "Monolines' Reply").

7. On May 5, 2020, the FOMB filed the Urgent Motion requesting leave to file a sur-reply to the Monolines' Reply by May 25, 2020 and to adjourn the preliminary hearing on the Monolines' HTA Amended Lift Stay Motion from May 13, 2020 to June 4, 2020. Shortly thereafter, the Court entered an Order setting a briefing schedule on the Urgent Motion [Dkt. No. 13042].

8. On May 6, 2020, the Monolines filed their Opposition to the Urgent Motion [Dkt. No. 13052] (the "Monolines' Opposition"), arguing that the Urgent Motion should be denied for multiple reasons. However, in the event the Court is inclined to grant the Urgent Motion, the Monolines request that the Court revise the FOMB's proposed order to, among other things, "[p]rovide that the Government Parties submit any sur-reply briefs, which shall be no more than 15 pages each, by no later than May 14" and allow the Monolines to respond to any sur-reply by May 25, 2020. Monolines' Opposition ¶ 14.c.

RESERVATION OF RIGHTS

9. The DRA Parties hereby reserve all rights to participate in the Monolines' Amended HTA Lift Stay Motion consistent with the terms of the Intervention Order and Final Revenue Bond Order. To the extent that the Court enters an order granting the Urgent Motion and allowing the Monolines to respond to the FOMB's sur-reply, the DRA Parties respectfully request that any such order also afford the DRA Parties with the same opportunity to respond to the FOMB's sur-reply in the same terms and manner as provided to the Monolines.

RESPECTFULLY SUBMITTED.

In San Juan, Puerto Rico, today May 7, 2020.

MCCONNELL VALDÉS LLC

270 Muñoz Rivera Avenue, Suite 7
Hato Rey, Puerto Rico 00918
PO Box 364225
San Juan, Puerto Rico 00936-4225
Telephone: 787-250-5632
Facsimile: 787-759-9225

By: /s/Arturo J. García-Solá
Arturo J. García-Solá
USDC No. 201903
Email: ajg@mcvpr.com

By: /s/Alejandro J. Cepeda-Díaz
Alejandro J. Cepeda-Díaz
USDC No. 222110
Email: ajc@mcvpr.com

By: /s/Nayuan Zouairabani
Nayuan Zouairabani
USDC No. 226411
Email: nzt@mcvpr.com

***Attorneys for AmeriNational Community
Services, LLC as servicer for the GDB Debt
Recovery Authority***

C. CONDE & ASSOC. LAW OFFICES

By: /s/ Carmen D. Conde Torres

Carmen D. Conde Torres
(USDC No. 207312)
254 San José Street
Suite 5
San Juan, PR 00901-1523
Tel. 787-729-2900
Fax. 787-729-2203
E-Mail: condecarmen@condelaw.com

-and-

**ORRICK, HERRINGTON &
SUTCLIFFE LLP**

By: /s/ Douglas S. Mintz
Douglas S. Mintz (admitted pro hac vice)
Columbia Center
1152 15th Street, N.W.
Washington, D.C. 20005-1706
Telephone: (202) 339-8400
Facsimile: (202) 339-8500
E-mail: dmintz@orrick.com

and

Laura Metzger (admitted pro hac vice)
Peter Amend (admitted pro hac vice)
David Litterine-Kaufman (pro hac vice
pending)
Monica Perrigino (admitted pro hac vice)
51 West 52nd Street
New York, N.Y. 10019
Telephone: (212) 506-5000
E-mail: lmetzger@orrick.com
pamend@orrick.com
dlitterinekaufman@orrick.com
mperrigino@orrick.com

***Attorneys for Cantor-Katz Collateral Monitor
LLC, as Collateral Monitor for GDB Debt
Recovery Authority***